

ITEM #: _____
FISCAL IMPACT: \$1,300,000.00
FUNDING SOURCE: Street Light Reserve
ACCOUNT NUMBER: _____

ISSUE:

Approve a resolution authorizing the purchase of a street light system from Rocky Mountain Power.

SYNOPSIS:

This purchase agreement is for approximately 5,572 street lights, 1,716 dedicated poles, 143,550 ft of underground wire, and 85,800 ft of overhead wire. The exact quantities are to be determined by a detailed inventory. The funds for the purchase will come from the Street Light Reserve.

BACKGROUND:

In 1992 the City entered into an agreement with UP&L to install city-wide street lighting. This street light system is owned and maintained by the power company and the City pays for the system in accordance with the Public Service Commission rate schedule 11. This rate schedule includes paying for power, maintenance and fees. The agreement signed in 1992 expired in 2002, however, the Rocky Mountain Power has continued to provide power and maintenance for the street lights and the City continues to pay the schedule 11 rate. However, if the City purchases the streetlights, the City will be able to change to an energy only rate schedule which will save the City money. In order to switch to an energy only rate schedule the City must purchase the existing street light system from the power company.

The City currently pays approximately \$1,032,000 per year for street lighting. This includes approximately \$264,000 for energy and \$768,000 for maintenance and fees. The Public Works Department estimates that owning the street light system will cost the City the same energy cost plus \$250,000 per year for maintenance which leaves a net savings of \$500,000 per year.

RECOMMENDATION:

Approve Contract.

SUBMITTED BY:

Russ B. Willardson, P.E., Public Works Director